

**CITY OF SEAFORD MUNICIPAL CODE
CHAPTER 6 ARTICLE 2
ELECTRICAL RULES AND REGULATIONS**

SECTION 22 RENEWABLE ENERGY

(B) Net Energy Metering Policy (Adopted 4/11/07)

(1) Purpose

The Net Metering policy is intended to provide a program of net metering for electric utility customers with small-scale, electric generating facilities utilizing approved renewable fuels. It is to encourage private investment in renewable energy sources, provide customers with options to reduce demand for utility provided power, increase energy independence and security, and enhance the continued diversification of energy resources. This policy addresses net metering methodology.

(2) Net Metering

Net Metering is the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator over the applicable billing period and is intended primarily to offset part or all of the customer-generator's requirements for electricity. Net meters are used to measure the flow of electricity in either direction, automatically "netting" the two readings.

(3) Net Metering Issues

Three (3) primary issues that must be addressed at the utility when a customer is authorized to produce electricity on-site are as follows.

(a) Safety and Reliability:

Of the utmost importance to the utility, its personnel, utility customers and property is that the interconnection of the customer owned generation with the utility be maintained in a safe and reliable manner. The City utility must approve and insure all customer owned generation is properly interconnected and that all protective & disconnect devices are in place before the utility permits interconnection and energization.

(b) Legal & Regulatory

All potential Net Metering customers must complete and submit the "Municipal Generator Interconnection Application" form for review and approval by The City of Seaford prior to any interconnection to the utility system.

(c) Financial and Retail Rates

Retail net metering customers will be billed on bundled retail rates which include the cost for power supply, delivery (wires) services, transmission costs, meter reading costs, billing costs, administrative costs, accounting & financial costs, utility operating costs and net margins of the utility.

(4) Availability of Net Metering

Net Energy metering is available to customers who own and operate an electric generation facility on the customer's premises. The capacity of the customers system must be less than one (1) Megawatt. The primary source of fuel must be a City approved source of renewable energy such as Photovoltaic (solar) or wind. This policy is applicable to generation

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SECTION 22 RENEWABLE ENERGY

interconnected and operated in parallel with The City of Seaford's transmission and/or distribution facilities. Application for the installation of any generation system in excess of One (1) Megawatt shall be made under a special contract.

Any customer who elects to participate in this program must apply by completing the Municipality Generator Interconnection Application Form at least 60 days in advance of the proposed activation date. Approval of the application by the City of Seaford must be granted prior to activation of the electric generation facility.

(5) Connection to the City's Electric Utility System

The electric generation system cannot be connected to the City's Electric Utility system unless it meets all applicable safety and performance standards set forth by the following:

- The Technical Considerations Covering Parallel Operations of Customer Owned Generation of Less than (1) Megawatt and Interconnected with the City of Seaford, including all IEEE standards mentioned within.
- National Electric Safety Code
- Underwriter Laboratories
- City of Seaford Electric Rules and Regulations
- Municipality Generator Interconnection Application

The customer must, at their expense, obtain any and all necessary permits, inspections and approvals required by any local public authorities and any other governing regulations in effect at that time.

(6) Delivered Voltage

The delivered voltage and delivery point of the customer's electric generation shall be at the same delivered voltage and delivery point that would be supplied by the City if the customer purchased all of its electricity from the City.

(7) Contract Term

The contract term shall be as long as the customer conforms to the Safety, Reliability & Legal rules and regulations within this policy, and all other requirements of electric utility customers.

(8) Rates

The monthly billing rate shall be as stated in the then current applicable rate tariff. The customer shall pay for all KWh delivered by the City of Seaford at the applicable tariff per KWh rate. If the customer has reduced their consumed electric KWh by generating KWh in a given billing month, that generation shall be credited at the City's current wholesale purchased rate for that billing month.

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(9) Metering

A bi-directional watt-hour electric meter (or equivalent) will be installed at the customers location to measure the energy consumed and any off-setting energy produced on-site. Power will be "netted" only up to the amount provided to the customer so that the customer has the opportunity to net out to zero, electric consumed in a given billing month. The City will not pay the customer for any excess power produced over consumption. The City will furnish, install, maintain and own all metering equipment. Costs will be determined under the Additional Costs and Responsibilities clause below.

(10) Additional Costs and Responsibilities:

The customer will be required to pay for any additional transmission and distribution costs, the cost of metering, transformation, system protection, and any related safety/protective equipment in excess of what would normally be paid for by the City to meter electrical consumption. Protective equipment will be installed by the customer to provide adequate protection to the City's electric utility system and to the customer's property, and to prevent any interference with the City's supply of energy to other utility customers. This equipment will be owned, installed and maintained by the Customer.

(11) Failure to Comply

The City may disconnect the Customer's service from the City's electric utility system if the customer fails to comply with any of the stipulations of this policy; The Technical Considerations Covering Parallel Operations of Customer Owned Generation of Less than One (1) Megawatt and Interconnected with the City of Seaford Electric System, the National Electric Safety Code, Underwriters Laboratories, the Generator Interconnection Application Form and the City of Seaford Electric Rules and Regulations Manual.